

## R E M A R K S

Applicants have carefully studied the outstanding Official Action. The present amendment is intended to be fully responsive to all points of rejection and is believed to place the application in condition for allowance. Favorable reconsideration and allowance of the present application are hereby respectfully requested.

Applicants thank the Examiner for the courtesy of an interview granted to Applicants' representative Sanford T. Colb, registration number 26,856, on 2 July 2003. In the interview, proposed new claim 42 was discussed. The Examiner indicated that he believed that he was aware of art relevant to claim 42. Later on the day of the interview, the Examiner indicated to Applicants' representative via electronic mail that the Examiner was referring to US Patent 6,173,269 to Solokl et al.

The Examiner's indication that claims 14, 17, and 21 would be allowable if rewritten in independent form, including all limitations of the base claim and any intervening claims, is gratefully acknowledged.

Claims 1 - 11 and 13 - 40 are pending in the present application before the present amendment, claim 12 having been previously cancelled.

Claims 1 - 11, 13, 15 - 16, 18 - 20, and 22 - 40 stand rejected under 35 USC 103(a) as being unpatentable over US Patent 6,325,292 to Sehr.

Sehr describes a card system and methods, including a card issuer and a plurality of service providers, which compile, issue, utilize and process "collector cards", which cards are implemented using smart card technology.

The Examiner takes the position that the present invention, as claimed in claims 1 - 11, 13, 15 - 16, 18 - 20, and 22 - 40 is obvious in light of Sehr. Applicants respectfully disagree with the Examiner's position. Applicants respectfully point out that, inter alia, Sehr does not describe a portable transaction device including authorization apparatus similar to that recited, for example, in claim 1 before the present amendment; rather, Sehr describes a portable device which can be authorized in a central database, as is well known in the art of credit cards.

Nevertheless, in order to facilitate allowance of the present application, claim 1 has been amended to include the recitation of claim 14, indicated by the Examiner to be allowable if rewritten in proper independent form. Applicants reserve the right to pursue claim 1, as it stood before the present amendment, in the context of a continuation application.

Claim 1 is therefore deemed allowable:

Claims 2 - 11 and 13 depend directly or indirectly from amended claim 1 and recite additional patentable subject matter and are therefore deemed allowable.

Claim 14 has been cancelled.

Claim 15 has been amended to include the recitation of claim 17, indicated by the Examiner to be allowable if rewritten in proper independent form. With reference to the above discussion of Applicants' position concerning the rejection over Sehr, Applicants reserve the right to pursue claim 15, as originally filed, in the context of a continuation application.

Claim 15 is therefore deemed allowable.

Claim 16 depends from amended claim 15 and recites additional patentable subject matter and is therefore deemed allowable.

Claim 17 has been cancelled.

Claims 18 - 25 depend directly or indirectly from amended claim 15 and recite additional patentable subject matter and are therefore deemed allowable.

Claim 26 is a method claim corresponding to apparatus claim 1 and has been similarly amended. Claim 26 is therefore deemed allowable with reference to the above discussion of amended claim 1. With reference to the above discussion of Applicants' position concerning the rejection over Sehr, Applicants reserve the right to pursue claim 26, as it stood before the present amendment, in the context of a continuation application.

Claim 27 is a method claim corresponding to apparatus claim 15 and has been similarly amended. Claim 27 is therefore deemed allowable with reference to the above discussion of amended claim 15. With reference to the above discussion of Applicants' position concerning the rejection over Sehr,

Applicants reserve the right to pursue claim 27, as it stood before the present amendment, in the context of a continuation application.

Claims 28 - 40 have been cancelled without prejudice. Applicants reserves the right to pursue claims 28 - 40 in the context of a continuation application.

New claims 41 - 49 have been added.

Claim 41 corresponds to claim 21 rewritten in independent form. The Examiner indicated that claim 21 would be allowable if rewritten in independent form. Claim 41 is therefore deemed allowable.

Claim 42 recites a portable device including "input apparatus operative to receive a user-identifying input and at least one user selectable use limitation from a user of the portable device; a control user identity unit operative to store information identifying a control user; user determination apparatus operative to determine whether the user is an authentic control user based, at least in part, on the user-identifying input and on the information stored in the control user identity unit; and use limit apparatus operative to limit use of the portable device in accordance with the at least one user selectable use limitation if the user is determined to be an authentic control user by the user determination apparatus."

Claim 42 is supported, inter alia, by: Fig. 2 (including, inter alia, element 260 as support for the control user identity unit of claim 42); the paragraph bridging pages 11 and 12 of the specification; and the first full paragraph on page 13 of the specification.

Claim 42, without the recitation of the control user identity unit, was discussed in the interview mentioned above. As explained above, the Examiner indicated that he believed that US Patent 6,173,269 to Solokl et al was relevant to claim 42.

Solokl et al describes a method and apparatus for executing electronic commercial transactions with minors. Solokl et al describes a method and apparatus useable over the Internet and with the Automated Clearing House (ACH) network. In fact, Solokl et al teaches away from the present invention, particularly at col. 5, lines 12 - 32, which state, inter alia: "Because the invention uses both the Internet for initiating transactions with merchants and the ACH

network for settling these transactions, it is not necessary to add any special software or hardware to either system to implement the invention.... It is only necessary to provide the service and to set up the banking relationships described herein to practice the invention....”

While Solokl et al does mention a simple “card” at col. 10, line 57 - col. 11, line 2, Solokl et al does not teach or suggest a portable device having the combination of elements recited in claim 42. In particular, the combination of the input apparatus, control user identity unit, and user determination apparatus is neither shown nor suggested in Solokl et al or in the other prior art of record, taken individually or in combination.

Claim 42 is therefore deemed allowable.

Claims 43 - 49 are supported similarly to claim 42, and further as follows:

Claim 43: the second and third paragraphs on page 13 of the specification, and originally filed claim 15.

Claims 44 and 47: originally filed claim 17.

Claim 46: originally filed claims 20 and 21.

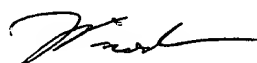
Claims 47 - 49: lines 12 - 22 on page 10 of the specification.

Claims 43 - 49 depend directly or indirectly from claim 42 and are therefore deemed allowable.

Applicant has also considered the allowability of the other pending claims over Solokl et al. Applicant finds that the present invention as claimed is neither described nor suggested in the prior art of record, taken either individually or in combination.

In view of the foregoing remarks, it is respectfully submitted that the present application is now in condition for allowance. Favorable reconsideration and allowance of the present application are respectfully requested.

Respectfully submitted,



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